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*Commonwealth of Massachusetts*  
HOUSE OF REPRESENTATIVES



HOUSE POST AUDIT  
AND  
OVERSIGHT BUREAU

ROOM 146

• STATE HOUSE •

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INTERIM REPORT  
REVIEW OF  
ESSEX COUNTY PRIVATIZATION

May, 1994

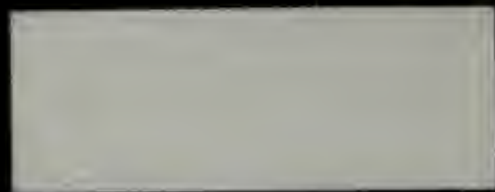
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GOVERNMENT DOCUMENTS  
COLLECTION

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MASS. GCL. PA11/2: In 8 ✓

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### Summary of Findings

1. MHD failed to make the case that any savings were realized as a result of the Essex County Highway privatization contract.
2. MHD provided no documented evidence that supported the claim that additional services were provided under the Essex County Privatization contract.
3. MHD failed to provide necessary oversight of the privatized contract and failed to closely monitor the activities of the subcontractors.
4. MHD's failure to perform proper oversight had grave consequences. The Bureau found several irregularities in records provided during the course of the audit. The Bureau has referred several matters to the Attorney General's office for possible criminal investigation.
5. MHD consistently provided misinformation about the results and financial benefits of the Essex County initiative.
6. MHD provided significant subsidies to the private contractor in the form of employee services and equipment.
7. MHD routinely disregarded contract provisions and failed to utilize enforcement and penalty provisions.
8. MHD focused more effort on claiming the venture was a success than on oversight and implementation. MHD's repeated reference to a report written by graduate students at the Kennedy School of Government was part of a misinformation campaign about the project.
9. MHD's recordkeeping on this project failed to provide the level of detail necessary to verify basic costs and savings claims.
10. MHD failed to measure or quantify the impact of contributions by state workers to activities that either should have been performed by the contractor or that provided direct financial benefit to the contractor.
11. The Bureau found that in the year prior to the Essex County Privatization, the state maintenance effort in the district was not given adequate resources or equipment to conduct proper maintenance. The effect of this action was to distort the conditions necessary for proper comparison and evaluation.



### Listing of Exhibits

1. Exhibit #1 - December 29, 1993 letter to the Attorney General. June 4, 1993 letter to HPAB from MHD.
2. Exhibit #2 - July 22, 1993 letter from Secretary Kerasiotes.
3. Exhibit #3 - Letter from Kennedy School professor. Governor's FY'95 budget submission.
4. Exhibit #4 - February 14, 1994 letter from Charles Kostro. January 6, 1994 letter from Patrick Moynihan. May 27, 1993 letter from Philip Puccia.
5. Exhibit #4a - Consultant contract.
6. Exhibit #5 - November 2, 1992 memo from Charles Kostro. January 21, 1993 memo from Stephen Berlucchi. February 10, 1993 memo from Stephen Berlucchi.
7. Exhibit #6 - October 29, 1992 memo from Paul Jodoin.
8. Exhibit #7 - Organizational Chart.
9. Exhibit #8 - January 19, 1993 letter to Paul Jodoin.
10. Exhibit #9 - 1993 letter from David Wilson.
11. Exhibit #10 - September 3, 1992 bid protest letter.
12. Exhibit #11 - October 28, 1992 memo from Stephen Berlucchi.
13. Exhibit #12 - September 1, 1992 memo from Donald Kavanagh regarding contract award.
14. Exhibit #13 - May 26, 1993 memo from John Hayden regarding highway cleaning.
15. Exhibit #14 - Time sheet analysis.



## Review of Essex County Privatization

### Introduction:

The House Post Audit and Oversight Bureau (the "Bureau") conducted an extensive review of the Massachusetts Highway Department's ("MHD") expanded privatization of the area known as Essex County. In previous fiscal years, Essex County had already been privatized to a large extent, however the contract that was ultimately awarded, Contract No. 93162, greatly expanded the amount of maintenance functions that would be handled by private contractors and delegated major oversight and control over subcontractors to the general contractor.

"Does privatization work? The answer is that after 10 years of experimentation it has proven neither the panacea that its proponents call it nor the poison its opponents fear. What is clear is that if it is to function well, privatization must transcend ideology to enter the realm of pragmatism. The fact is there is good privatization and poor privatization, logical candidates and politically motivated disasters." (Financial World, August 3, 1993)

As the Bureau has stated in other reports, it is not the function of the Bureau to say whether the concept of privatization per se is good or bad. The Bureau's function is that of performance auditor. As such, the Bureau's task is to examine whether or not the actual functioning and performance of a particular governmental unit or provision of service measures up to ascertainable standards that are consistent with the public interest.



The Bureau would also note at the outset that privatization of highway maintenance functions can and does work. Many states, including Massachusetts privatize a number of functions and some delegate entire maintenance functions for specified areas to private contractors. The Bureau examined contracts from other states most notably Michigan, where substantial portions of highway maintenance operations were delegated to the private contractors. As long as there are ascertainable yardsticks and oversight functions are clearly defined, public highway maintenance performed by private contractors can and does work.

"Monitoring is essential. Private companies are not free from corruption: their aim is not to insure good service but to make money. Governments must be vigilant and demanding of private contractors." (Financial World, August 3, 1993)

### The Essex County Contract

#### Background

The award of the Essex County contract was made with much fanfare and publicity. Officials of MHD made numerous claims and press statements about making privatization work. By their own design, the officials at MHD placed substantial emphasis and attention on the Essex County initiative. Charles Kostro, whose job it was to coordinate and oversee privatization projects, testified that the Secretary of Transportation told him when he was appointed "make sure it works and you better do a good job." (June 22, 1993 transcript, page 13) George Ward who was placed



in charge of the state employees that remained in Essex County under privatization was given similar instructions. In response to a question about management giving him any objectives, Mr. Ward testified; "The objective was to make it work." (June 22, 1993 transcript, page 103). When Mr. Ward was placed in charge of this effort his position went from that of an Electrician, Grade 14 to an M-8 (manager 8) which in effect, almost doubled his salary.

The Bureau also became concerned about the level of oversight when it learned through sources, and Mr. Ward confirmed at a Post Audit Committee hearing, that the contractor had held the company's Christmas Party at the Marriott Long Wharf in Boston, where Mr. Ward and other MHD employees stayed overnight as guests of the contractor. In addition to the potential problems with state ethics laws, the Bureau was concerned that this signaled an unhealthy relationship between oversight personnel and the contractor.

Because the Essex County contract would be the forerunner of many other highway privatization contracts, members of the House Post Audit and Oversight Committee (the "Committee") believed it was important to get an early start on evaluating this contract. Because Essex County represented a much broader attempt at privatized highway maintenance services and because issues of public safety, oversight, and preservation of costly



infrastructure were critical, the Bureau embarked on an ongoing review of the contract.

The agency's response to the Bureau's review was less than cooperative. The Bureau did not receive all of the materials it asked for in a timely fashion and on several occasions there were disputes with MHD officials, about the Bureau's document requests. MHD also commented about political motivations of the Committee and the Bureau in conducting the audit. For example, in a letter dated February 14, 1993, Charles Kostro responded to a HPAB request by stating in part;

...In Total, EOTC has supplied to the Bureau over 7,000 documents solely on the issue of privatization. Considering the nature of the so-called "audits" conducted by the Bureau over the last three years and the partisan tenor of each report issued during that same period, EOTC is convinced that no matter how many documents it may supply, the Bureau will never verify any savings attributable to privatization.  
(See Exhibit #4)

In addition, because the contractor was a large asphalt paving and construction company with many government contracts, the Bureau raised concerns about the ability of the contractor to perform all of its other jobs and still be available on an as needed basis for the Essex County contract. The Bureau was denied access to those financial records by MHD and the records were not provided by the company in response to a subpoena. MHD stated it could not provide the information sought without approval from the contractor. MHD claimed that the prequalification statute allowed the contractor to claim this



privilege. The Bureau does not believe that this statute shields these records from public scrutiny once a contract has been awarded and has asked the Attorney General for an opinion on this precise matter. (See attached letter, Exhibit # 1).

The Bureau issued a preliminary report on the performance under this contract on June 9, 1993. That report focused on the drafting of the contract provisions and the delegation of prioritization of maintenance functions to the private contractor rather than having MHD set the priorities. The Bureau also raised concerns about the low level of oversight that appeared to be present with respect to the contract. The Bureau found in its initial analysis of the contract that MHD failed to provide ascertainable yardsticks to measure performance.

After the issuance of the preliminary report, the Bureau was openly criticized by MHD. MHD accused the Bureau of issuing the report before it had received all of the documentation. The issue of releasing the preliminary report before all of the requested documents were received from MHD is a red herring. The preliminary report focused on the contract provisions and data already in the hands of the Bureau. At the point when the preliminary report was issued, the Bureau was not in a position to be able to evaluate completed contract costs and benefits. Ironically, MHD's claim that the Bureau's report was premature was more appropriate if viewed in the context of their own claims about success. The Bureau's report was by its plain terms, preliminary. Needless to say, neither the Kennedy School graduate students who had compiled a report in April of 1993 nor



MHD could claim success about savings at that point in time. It was not far enough along in the process for that analysis to be made. The Bureau issued its preliminary report when it did partly in response to MHD's premature move to privatize many other districts. The Bureau believed that if similar contracts were going to be awarded to other districts before meaningful evaluation of the Essex County initiative was completed, then it made sense to point out contract drafting deficiencies at that point in time.

In its responses to media inquiries about the preliminary report, MHD repeatedly referred to a report that was produced by graduate students at the JFK School of Government. Even the Secretary of Transportation referred to this student report as the first truly independent study on the privatization of highway maintenance in Essex County. (See July 22, 1993 letter of Secretary Kerasiotes, Exhibit #2.) In actuality, it was a research paper written by a group of graduate students. As the Bureau noted in its critique of the report issued on June 10, 1993, the students paper was completed in April of 1993. It was written well before most of the work in Essex County had been performed, and was based in large part on the comments and press documents produced by MHD privatization employees. It is hardly surprising that MHD employees who were hired to promote privatization would try to cast the initiative in the most favorable light. The student's paper was not a performance audit and indeed given the methodology it employed hardly purported to be one. The student's report, as the letter from Professor



Donahue who supervised the project indicates, was done for the client Pioneer Institute - another group that had placed significant emphasis on privatization initiatives. (See Donahue letter, Exhibit #3.) The characterization of this paper as a truly independent review or as a performance audit is soundly disputed by the Bureau.

Despite the fact that the report by the graduate students of the Kennedy School was not an official school document (See Exhibit #3, attached letter from John F. Kennedy School of Government) and despite the fact that the Kennedy School report was completed in April of 1993 almost 6 months prior to the conclusion of the contract, MHD repeatedly cited this paper as proof that they had been successful. The Bureau found this continued reliance on this "report" as part of a larger calculated effort to provide misinformation on the actual results of this privatization project. (See Exhibit #3 - Budget Submission)

MHD's claims of success were premature and have yet to be substantiated. It is interesting to note that nowhere in its preliminary report did the Bureau claim that privatization was a failure. In its June, 1993 Preliminary Report, the Bureau was trying to focus debate on contract draftsmanship, administration and oversight. If there were public policy issues that needed to be addressed in upcoming contracts, the Bureau felt it was important to raise those concerns at the earliest prudent moment. Rather than accept constructive criticism MHD chose to completely distort the Bureau's comments and lash back with rhetoric about privatization.



## The Audit Process

Because this Essex County privatization initiative represented a fairly significant deviation from past practice at the MHD, the Bureau undertook a broad approach to its audit. The Bureau met with maintenance engineers from other jurisdictions and other highway maintenance groups and tried to ascertain from a technical standpoint the rationale for particular maintenance functions as well as the cost-benefit rationale for each of the items that could be identified as necessary highway maintenance. Because the capital cost of roads and bridges is extremely high, the Bureau focused attention on capital preserving measures as one of the critical components of a sound maintenance program.

In addition to meetings and discussions with highway maintenance engineers, the Bureau conducted several field inspections of Essex County roads and bridges. The Bureau conducted inspections of roadsides, bridges, drainage culverts, catch basins and other structures with the assistance of highway maintenance personnel to gain a better understanding of the nature of the process by which a road system must be maintained. The Bureau took hundreds of photographs as part of its effort to verify conditions and performance.

The Bureau examined maintenance contracts and maintenance manuals from other states and also thoroughly examined the contract that was awarded by MHD. In addition, the Bureau contacted a number of states including Michigan, Maine, New



Hampshire, Connecticut and others. The Bureau also obtained past maintenance records and maintenance manuals from what was formerly the Department of Public Works. The Bureau also interviewed retired MHD personnel to determine what level and type of maintenance functions were performed in the past.

The Bureau believes that this historical analysis of highway maintenance is particularly important and one that was in large part ignored by the personnel in charge of the drafting and operation of this maintenance contract. The Bureau found little evidence that the MHD privatization personnel devoted much, if any time, to finding out what was done historically. Mr. Kostro was asked if he found that there was a maintenance plan in effect for FY'91 and FY'92. He testified that he did not. (June 22, 1993 transcript, page 16). When asked if he had ever seen a maintenance manual, he said he didn't recall seeing one and did not recall ever asking for one. (June 22, 1993 transcript, page 17).

To determine the basis for the calculation of savings figures, Mr. Kostro said "We took figures FY'92 for personnel, overtime, police expenditures, contract work, materials, administrative costs, a whole series of things we felt were the kind of functions that were covered under a maintenance operation and we tallied up what the cost was of that and it came to about \$6.6 million dollars." (June 22, 1993 transcript, page 19)

The Bureau finds this methodology particularly troubling for several reasons:



1. There appears to be no adjustment or inquiry as to whether this particular year (FY'92) was a routine or poor year for weather, nor is there any consideration of extraordinary events. A historical analysis spanning several years would have been more appropriate.
2. MHD used an arbitrary analysis of what was done previously and failed to provide any rationale for the exclusion of certain items. For instance crack sealing was not included in privatized contract despite the fact that engineers in most Northeastern and Northern states believe this is an important capital preserving component of the maintenance contracts. Crack sealing is a very labor intensive but highly cost effective technique. Crack sealing was utilized in the district on previous occasions. This was an important factor to consider in any review. Despite the fact that it was done in the past, the privatized "savings" budget failed to have any adjustment for its being excluded from the contract.
3. There was no backup information provided on the analysis of past practices and the calculations that were used to determine total expenditures. The method described by Mr. Kostro was very subjective. It did not take into account all relevant items.
4. There is nothing to indicate that MHD used cost identification techniques similar to those touted by



- A&F in their privatization savings claims. (See Exhibit #4, February 14, 1994 letter from Mr. Kostro.)
5. MHD claimed that certain functions such as bridge washings were not performed in fiscal years immediately preceding the privatized contract. The Bureau found evidence and sources confirmed that this was untrue.
  6. The Bureau was not provided with any documents which formed the basis of the work that was done in prior years. MHD officials claimed certain items were completed or not completed without any backup for the claims.
  7. No effort appears to have been made to quantify the oversight on items that were previously contracted out and there was no value on equipment and services provided to contractors.

From any standpoint, a review of MHD's and DPW's historical performance in the maintenance area leaves a less than satisfactory grade. The historical review of recent DPW maintenance reveals a crisis management approach to a large and increasing problem. As the Highway Users Federation report had found: "Massachusetts lacks a rational basis for setting maintenance program budgets and priorities. (See page 8 of the 1992 Highway Users Federation Report). Indeed, as the Bureau had found the facts in the Essex County to be similar to those found by the Highway Users Federation. Specifically: "The department needs to develop a systematic process for annually determining



both the preservation needs (crack sealing, pothole repair, bridge deck repair, culvert replacement, etc.) as well as the maintenance operating needs (mowing, grit removal, lighting, snow and ice control)." (See page 37 of the Highway Users Federation Report, 1992). The Bureau found that MHD had not systematically determined the preservation needs in Essex County. Moreover, MHD decided to delegate to the contractor the choice of what level of operational maintenance functions that were to be performed. Crack sealing, which was mentioned first by the analysis of the Highway Users Federation ("HUF"), was not even listed as a provision of the Essex County Contract.

Indeed the strengths of the contract claimed by MHD were in reality its weaknesses. Certainly lower costs could be realized by allowing the contractor to be paid only for the work it chose to perform. The inherent problem was that the Contractor's choice of work did not coincide with prioritization of most important maintenance functions, especially from a capital preservation perspective.

In effect, the Bureau found that MHD took a bad system and made it worse by abdicating oversight and prioritization responsibility to the contractor. This decision let the contractor make the most cost effective and profitable choices from the contractor's perspective whether it made sense from a maintenance priority point of view or not. As numerous authorities have indicated, the contractor's motivations are not necessarily congruent with the public interest. Without



oversight and monitoring it is easy for privatization to go astray.

Rather than simply critiquing what was done in the past, the Bureau attempted to ascertain the reasons for DPW's less than satisfactory performance. What the Bureau found was that, historically, maintenance functions (as might be expected in tight budget times) were in large part, cannibalized. On a pro-rated basis there were less resources being allocated to highway maintenance in the 1980's despite the fact that the amount of responsibilities and the number of lane miles to be maintained were increasing substantially. In addition, the Department had a dramatic reduction of its professional engineering staff at a time when its obligations and mandates were rising.

The Bureau found this historical perspective useful from several standpoints. First it demonstrated the critical importance of the DPW's (now MHD's) need to prioritize maintenance functions. With more responsibilities and less resources for either public or private maintenance workers, it is critical that MHD management prioritize the maintenance functions that need to be done.

Secondly, the review of past operations gives the reviewer a clear understanding about past maintenance performance. Several statements made in support of privatization were critical of the maintenance effort that was done previously. The reason for past performance failures lay more with a lack of resources and establishing priorities than with the structure of maintenance operations and the functioning of the maintenance personnel.



Finally, the review of what was done on an historical basis was necessary to determine the measure of success of the privatized effort. If the Bureau was to accurately assess the success or failure of the private initiative a solid base of comparison was judged to be necessary.

### Findings

The Bureau completed its interim review of this contract in April of 1994. After more than a year of review of this contract by inspection of records, subpoena of documents, interviews and testimony, the Bureau notes the following:

- The contract as written did not provide for regular and continuous maintenance for the Essex County district.
- The contract was so flexible in wording and operation as to allow the contractor to pick and choose the most profitable activities - sometimes at the expense of more important maintenance functions.
- The contract as written did not provide incentives for the contractor to stay ahead of maintenance activities and thus long term benefits of some maintenance activities were lost.
- The contractor was allowed to defer sweeping until the end of the contract. The contract provisions also allowed for cleaning of catch basins before sweeping. The failure to sweep in a timely fashion, not only offset the effect of the catch basin cleaning effort, but an also created an unnecessary risk to public safety.
- The contract failed to adequately address road preservation measures such as crack sealing. Crack sealing in certain areas would add years to the life of the treated pavement.
- The inspections by the Post Audit Bureau as of June 7, 1993 revealed minimal sweeping of roads despite the fact that they were to be completed by June 15, 1993.
- The Bureau inspected almost 700 catch basins in April, May and June of 1993 and found little evidence that they were cleaned in the recent past. The only conclusion the Bureau could draw was that they were cleaned well before the winter storm season, or were never cleaned at all.



- The contract as written built in a deferred maintenance mentality, potentially jeopardizing public safety and exposing the Commonwealth to tort liability.
- Despite repeated attempts to obtain the information, the Bureau found little evidence that MHD and EOTC produced detailed analysis of the costs and benefits of the current contract for privatization of Essex County.
- The Bureau found little evidence that there was regular and hands-on oversight by MHD concerning the efforts of the contractors in Essex County.
- The contract as written and enforced was a self-fulfilling prophecy. MHD established a target number that was met by simply limiting the work that was done. The savings that have been claimed are illusory. Routine maintenance that should have been done was simply not mandated by MHD.
- MHD's failure to document in detail work orders and activities of both state employees and the contractors employed made it impossible to determine how much of the contract was being "subsidized" by employees of the Commonwealth. Field observations indicated that routine maintenance was performed by state employees in Essex County.
- According to MHD's own statistics as of 5/12/93, out of a total of 76 contract items, 57 were less than 50% completed. 49 of those items were less than 30% completed and 23 items had less than 1% completion. According to MHD's figures as of 5/12/93, only 29.13% of the work was completed. The Bureau's own investigations revealed that this percentage completion figure may well be overstated by MHD.
- As of 5/12/93, MHD reported 95% of drainage structures were cleaned. The Bureau's inspections and photos dispute those claims.
- MHD's claim that the current situation under this contract represents an improvement over prior years is unsubstantiated. There was no visual evidence or documentary evidence that allows this comparison to be made.

The Bureau found other documentary evidence that indicates that other contracts were awarded directly to other contractors



with MHD for District 4. These other contractors may have performed maintenance work that was supposed to be done under the Essex County contract.

As to the financial component of the contract, the Bureau does not believe MHD saved any money. When the Bureau considers the deferral of maintenance and elimination of capital preserving measures, it can only estimate the amount of expenses deferred to later fiscal years. Specifically, the Bureau notes the following factors that made it impossible for a precise calculation and objective quantitative assessment of the performance of the contract.

1. The duties and responsibilities of the privatization response team were not well defined nor were the hourly assignments to specific or discrete tasks clearly delineated. On several occasions, Bureau personnel observed MHD employees on the response team cutting grass, trimming around guardrails, picking up litter and maintaining rest areas - all functions that the contractor mandated be performed by the contractor. To the extent that these items were not quantified, they inflated the claim of any savings.

The following question and answer highlight the deficiencies: Q. "But doesn't the contract call



for the contractor to do all grass mowing along the state roadways?" A. Mr. Kostro: "Yes it does instruct him to that, but it doesn't necessarily mean that you have a state employee do an area that needs to be done, if its you know, if you feel that's the best way to do it. I mean there is maintenance work being done by state workers and it was always acknowledged that that may be part of the contract, but the vast majority....I would say 90% to 95% of the routine maintenance work being done in Essex County the bulk of work, the majority of the items are being done by private contract. (June 22, 1993 transcript, page 144, 145).

It is this failure to account for state time, this lack of strict adherence to the contract that made the Bureau skeptical of savings claims and results. This laissez-faire approach to certain items which were admitted to be routine contract issues and not emergency items, gave the Bureau serious concerns about oversight and actual results. The more routine work performed by the remaining state workers, the greater the claimed savings could be. Mr. Kostro also conceded that you could come in under budget by simply deferring



or eliminating certain maintenance categories. (June 22, 1993 transcript, page 22).

2. A number of costs such as wages, printing, publicity, consulting that were all used to promote privatization should have been allocated to the privatized contract in some fashion. The Bureau found no evidence that this was done. (See Exhibit #4A for an example - hiring an outside consultant to perform public relations activities for privatization.)
3. The Bureau found no evidence that MHD made any comprehensive effort to discover and document past maintenance practices coordinated with service levels so that an objective base of comparison could be made. If anything, by changing the size and makeup of the districts, it became almost impossible to adequately develop a base of comparison. Without this base, it was impossible to derive a numerical basis for comparison between the costs associated with the privatized contract versus the prior year.
4. The testimony of MHD officials and physical inspection by Bureau personnel revealed that the enforcement provisions of the contract were not utilized. There were major problems with the sweeping contract with respect to deadlines and there was ample physical evidence to suggest that some items of the contract were not done in the manner or amounts claimed. Many



catch basins were completely full despite indicators from MHD that they were cleaned during the contract period.

5. The Bureau was not able to reconcile the totals on the time sheets provided by MHD. Some of the figures did not tie into any other items. In addition to the mathematical errors, there were numbers that failed to reconcile to any specific general ledger.
6. Some of the records provided by the subcontractors on this contract had information that was clearly erroneous if not intentionally misleading. Some of the wage sheets listing employees hours and wages had incorrect addresses or listed addresses that did not exist. As least two employees of one of the subcontractors had not filed tax returns for the required periods even though they had been listed as receiving income under a subcontract. The Bureau had major concerns about these documents as they gave strong indication of possible violations of prevailing wage and tax laws. Those matters were referred to the Attorney General for appropriate review and action. These items substantiated the Bureau's concerns about low levels of oversight on the contract.



Other specific findings can be summarized as follows:

1. On several occasions, Bureau personnel observed state employees performing work that the contractor was supposed to do. These benefits were not taken into account in terms of cost of the contract, and the Bureau believes that it was improper to have state employees performing such routine maintenance as grass cutting and litter pick-up in non-emergency situations.
2. On numerous occasions, Bureau personnel observed state signs that were knocked down or obscured and remained in that condition for an extended period of time. The Bureau believes that not only does this highlight a specific deficiency in the contract, namely that it did not provide for strict time deadlines, but it is also indicative of the lack of oversight by MHD.
3. The issue of catch basin cleaning was one that was problematic. The observations made by the Bureau in April, May and June of 1993 indicated many catch basins were filled to the grate level with sand and debris. The Bureau has consulted with engineers who indicated that under the conditions of that winter, it was highly unusual for those basins to be filled to surface level with sand and debris. If the basins were cleaned completely, including the sump and run-off



structure, then they should not have been totally clogged four months later.

4. The sweeping part of the contract had significant problems and as of the contract deadline only 25% of the district was swept by the deadline. The Bureau found internal documentation dated 6/1/93 that said sweeping was on schedule even though only 60 miles had been swept. Mr. Kostro testified that 92 out of 360 miles were swept by the contract deadline. (June 22, 1993 transcript, page 34).
5. The Bureau found that the grass mowings were not coordinated with litter pickup. The Bureau observed shredded litter all over medians and roadways after grass cutting. The Bureau does not believe that the total number of mowings claimed by MHD actually were performed.
6. The Bureau found that the collars on new catch basins were installed in a manner different from the contract specifications. At the hearing, MHD personnel confirmed that an oral agreement was reached to modify the specifications. No written confirmation of this agreement was provided. According to contract specification items 201, 202, 223 and 241, concrete collars were to be brought to a level of 3 inches below the pavement, allowing 3 inches of bituminous concrete



to be placed above the collar. The contract called for bituminous concrete collars around the top of the basin. The Bureau was told that this provision was inserted to minimize cracking and water seepage. No written explanation or rationale for the change was ever provided.

### Analysis

Throughout the audit, the Bureau was troubled by the misinformation and lack of documentation relating to this initiative. As of this writing, after almost 18 months of investigation and after multiple requests for information, the Bureau is still not in position to say definitively what the total cost of highway maintenance performed in Essex County was for the contract period.

The Bureau notes the following analysis of costs provided by MHD as backup for claimed cost saving estimates:

### Cost Comparison

	<u>FY'92</u>	<u>Privatization</u>
Salaries/Benefits:	\$5,224,622	\$1,330,888
Maintenance/Overtime:	\$ 393,254	\$ 150,000
Contingency:	- 0 -	\$ 250,000
Police:	\$ 200,000	\$ 210,000
Materials:	\$ 24,975	\$ 6,000
Vehicle Maintenance:	\$ 116,875	\$ 26,415
Administrative Costs:	\$ 257,700	\$ 183,925
Contract Work:	<u>\$ 419,709</u>	<u>\$3,687,158</u>
TOTALS:	\$6,637,135	\$5,844,386



"Based on this comparison, the Department anticipates that Essex County highway maintenance will be \$792,749 less under privatization. It should be noted that the cost of privatization includes a \$250,000 contingency account - Savings: \$ 800,000."

The Bureau notes that this information as provided by MHD claimed that these items under privatization resulted in a savings of approximately \$800,000 from the \$6,637,135 incurred by MHD personnel in FY'92.

The Bureau notes the following additional factors cast even more doubt about these claims:

Dist. 4 additional mowing contracts:	\$246,204	(undetermined amount for Essex County)
Dist. 4 additional sweeping contracts:	\$536,363	(undetermined amount for Essex County)
Essex County assessment of costs for supervision of prison labor:	undetermined	not quantified for Essex County despite the fact that inmates utilized for litter pickup in Essex County
Provisions of tools and equipment to contractor totaling: (\$499,000)	\$499,000	subsidy for privatized contract
State employees performing contract work (estimated by MHD 10%)	undetermined	(See also time sheet analysis, Exhibit #14)

In addition, proposed budget information for FY'94 received from MHD showed maintenance costs of the basis of lane miles in District 4 to be the highest of all districts.

Finally, with respect to claims of additional services, the Bureau comments on MHD's claims of \$1.9 million in additional services:



ITEM INCREASED (as claimed by MHD)	VALUE OF INCREASED SERVICES (as claimed by MHD)	HPAB FINDINGS
Grass Mowing	\$100,000	Mowings not completed within time parameters of contract. No evidence that all claimed mowings were actually performed.
Sweeping	\$353,000	Complete failure to abide by contract.
Bridge Deck Patching (concrete)	\$160,000	No enforcement of penalty provision.
Deck Repairs	\$540,000	No evidence provided that confirmed these claims.
Deck Excavation	\$275,000	No evidence provided that confirmed these claims.
Bridge Washing	\$ 40,000	Disputed.
Tree Work	\$ 98,881	Disputed.
Electrician	\$179,000	Disputed.
Steel Plates	\$ 29,632	Bureau has no basis to believe otherwise.
Steel Deck Repairs	\$ 23,000	Bureau has no basis to believe otherwise.
Roadway Items (120.1, 151.03, 402.13, 751, 65)	\$ 7,098	Bureau has no basis to believe otherwise.
Catch Basin Cleaning	\$ 15,000	Disputed.
Drainage Items (156, 226.3, 241.12)	\$101,112	Disputed.
Guardrail Items/Delineators	\$ 28,500	Disputed.



Signs	\$ 30,622	Disputed.
Membrane	\$ 4,000	Bureau has no basis to believe otherwise.
Bridge Shielding	<u>\$ 8,000</u>	Bureau has no basis to believe otherwise.
TOTAL:	\$1,992,845	

In the items listed above, the Bureau found \$628,234 of claimed additional services that simply did not materialize. In addition, the Bureau was not able to document the remaining items.

From everything the Bureau has been able to review, the single most important priority of MHD regarding this contract was to claim that it had worked-to claim it had saved millions - whether it in fact had or had not. After analyzing all of the documentation that the Bureau has received as well as considering the deficiencies already highlighted, the only way the Bureau can say that any savings were realized is because the contractor was paid less.

From the outset, MHD claimed savings by including the value of additional services. The Bureau was skeptical about such claims especially considering that MHD was not able to provide written evidence or through testimony confirm what was performed during the base year. From a simple mathematical approach, the base line must be known before what is considered "additional" can be quantified.



Moreover, the actual operation of the contract led the Bureau to be skeptical of the claims of additional service. MHD made claims of complete sweepings of the entire district. As of the Bureau's inspection and confirmed by the testimony of Charles Kostro at the hearing, only 25% of the roads in the district were swept by the contract deadline. The Bureau had difficulty accepting the fact that all sweeping was completed - plus another additional complete sweeping given the time constraints.

The Bureau's inspection of the catch basins did not lead it to believe that they had been completely cleaned as claimed. As the photographic evidence revealed, many of the catch basins had sand and debris showing right up to the level of the grate and even exceeding the grate level. If the standard size of the basin was 8 feet plus a sump at the base, the Bureau does not believe that the entire basin could have been cleaned within a year and end up in the condition that was observed by Bureau auditors. Consultations with engineers indicated that it was unlikely that these basins would fill-up in a year's time. Either the basins were not completely cleaned or the structures were defective according to the engineers.

The Bureau noted several instances where work was specifically directed to have been done, yet as of the dates of inspections, the work had not been done. Memos highlighted the failure to do maintenance of Beverly Salem Bridge. Bureau inspections as of 2/27/93 indicated severe frost heaves on road



surface, several inches of sand, deteriorating abutments, bridge scuppers completely filled with debris and a one foot square hole on the sidewalk of one of the sides of the bridge.

The Bureau also noted that in the town of Topsfield, the lines were not painted as of 5/27/93. There was an April 20 memo to the contractor specifically directing that this work be done.

Route 114E Middleton shoulder repair - the Bureau reviewed a April 20 memo from MHD requesting it be done. As of 5/27/93 the requested work had not been completed.

The Bureau also noted that there was strong evidence that the area in the privatized district was allowed to deteriorate just prior to the privatization. The Bureau found a November 2, 1992 memo indicating problems with inventory - asking for justification why equipment needs to remain in the district. A January 21, 1993 memo confirms surplus equipment has deteriorated significantly. "All of this equipment is in need of repair" (Emphasis added) (See Exhibit #5) This memo supports the claims of the unions and employees that prior to privatization they were unable to get necessary equipment repaired. This memo also calls into question the claims about savings in this area.

The Bureau also noted the following memos and facts which undercut MHD's claims of savings:

- a. October 29, 1992 memo from MHD personnel which relates to deviations from contract. See attached memo concerning "strictly interpreted contract." (See Exhibit #6)
- b. organizational chart showing 38 state employees with responsibilities for work in Essex County. (See Exhibit #7)



- c. December 10, 1992 memo adjusting draw bridge cost savings with no substantiation. (See Exhibit #6)
- d. memo from MHD to contractor dated January 19, 1993 indicating that weekly maintenance at Beverly Salem Bridge had not been performed as directed by letter dated November 20, 1992. (See Exhibit #8)
- e. January 21, 1993 letter to contractor subcontractors not in compliance with minority work hour percentage. (See Exhibit #9)
- f. The bid protest filed by one of the unsuccessful bidders noted that no plans were provided with contract documents and noted that Middlesex bid with respect to the item for treated timbers - item 955 was either unresponsive or Middlesex has information unavailable to other bidders. (See Exhibit #10)
- g. October 28, 1992 memo total value of equipment and small tools that will remain in Essex County to support privatization efforts and emergency response is 499,600. (See Exhibit # 11)
- h. Berlucchi memo on analysis of Middlesex's response to contract shows numerous items unrealistically low and numerous items unrealistically high. (See Exhibit # 12). Despite all of these characterizations, Middlesex was awarded the contract.
- i. May 26, 1993 memo showing sweeping time lines going into July 14, 1993 - one month beyond contract deadline. (See Exhibit #13)

#### Other Findings

The Bureau also performed a test review of the Essex County Daily worksheets of the privatization response team i.e. the employees of the MHD who worked in Essex County. Based upon a nine week test period from 4/2/93 to 5/28/93, the Bureau noted the following:

The amount of time spent on contract supervision was 12.4%. The Bureau believes that this figure should have been much higher if proper oversight was being performed.



A total of 1,988 out of 5,631 hours during the test period were committed to work performed on functions that were supposed to be privatized. These amounts were in addition to those logged as hours committed to contract supervision.

Items such as sign erection, deck repair, mowing, tree trimming and moving steel plates represent other activities that were performed by state employees despite explicit contract language governing these areas. In addition, the specific contract provisions concerning these areas are:

Items 107.04	Temporary Steel Plates
107.042	Remove and reset temporary steel plates
Item 847.113	Sign Support
Item 102.21	Tree Trimming
Item 107.951	Steel Grid Decking

In addition, Item 109.5 grass mowing covered "all grassed areas located within the right of way on all state highways...grass areas within the limits of roadside rest areas shall be mowed regardless of grade."

The Bureau also noted that a review of these daily worksheets indicated that there was not enough level of detail to indicate precisely how much and what type of specific work was actually completed.

Items improperly allocated to snow and ice. The Bureau has found evidence that MHD had arbitrarily assigned traditional overhead type functions to snow and ice. According to the Overtime report for District 4 (Includes Essex County), the cost of snow and ice removal is not part of the privatization contract. This service (snow and ice removal) has been performed by private contractors and public employees for years.



In looking at a overtime report for a sample week (week ending 1/29/94), one must question certain work activities of public employees being charged to snow and ice removal. The following is a breakdown by category of the overtime hours paid and those charged to snow and ice removal:

	<u>Total Overtime</u>	<u>Charged to Snow &amp; Ice</u>
Civil Engineering	509.0	409.5
Clerk	14.0	14.0
Word Processor	17.5	17.5
Accountant	31.5	31.5
Maintenance	8.0	8.0
Electrician	17.0	- 0 -
Foreman	26.0	23.0
Maint. Admin.	11.5	11.5
Shielded Laborer	396.0	330.5
Engineering Aid	286.5	257.5
Traffic Sec. Foreman	110.0	108.0
Insp. of Road Build. Mat.	12.0	12.0
Mechanic	12.0	12.0
Storekeeper	25.0	6.0
Comm. Dispatcher	21.5	13.5
Gen'l. Const. Insp.	37.0	36.0
Maint. Equip. Mech.	142.5	122.5
Highway Maint. Foreman	617.5	536.0
Maint. Equip. Operator	481.5	448.5
Tree Surgeon	197.5	167.0
Tree Climber	28.0	12.0
Maintenance Man	28.0	14.0
Bridge Operator	43.5	27.5
Highway Repair Foreman	234.0	219.5
Bridge Maint. Foreman	148.5	144.5
Bridge Carpenter	138.5	113.5
Bridge Welder	37.0	30.0
Bridge Painter	138.0	125.0
Painter	34.0	30.0
Line Painter	38.5	38.5
Spray Paint Working Foreman	43.5	43.5
	-----	-----
Total Hours:	<u>3,885.0</u>	<u>3,362.5</u>

The Bureau questions why such items as carpenters, tree surgeons and line painters are being charged to snow and ice



removal as opposed to some other function. The Bureau also noted irregularities in snow and ice overtime reports such as one employee being paid for driving a snow plow on two different roads at the same time.

#### Interim Conclusion

The Bureau is continuing to try to resolve all of the anomalies that exist in MHD's records and statements relating to this project. The Bureau is concerned that even at this late date, the Bureau is unable to trace the contract from starting point to the finish and determine a supportable cost figure and verify whether there were any savings at all and whether any additional services were provided. Moreover, given MHD's continued posturing, as well as its adversarial and contentious responses, verification has been extremely difficult and has cast grave doubt on the credibility of MHD's figures.

The Bureau would also note that MHD's claims of success on this venture have grown over time. Despite no substantiation or documentation, the Governor's budget submission now claims eleven million dollars saved from this privatized contract. This most recent savings claim is almost double what A&F claimed in November of 1993 and is almost ten times what was claimed by MHD initially. As has been documented here the Bureau has no basis to believe any of those figures.



*The Commonwealth of Massachusetts*

HOUSE POST AUDIT AND OVERSIGHT BUREAU

ROOM 49, STATE HOUSE

BOSTON MA 02133

WILLIAM P. NAGLE, JR.  
CHAIRMAN, COMMITTEE ON  
POST AUDIT AND OVERSIGHT

THOMAS W. HAMMOND, JR.  
DIRECTOR  
(617) 722-2575

December 29, 1993

L. Scott Harshbarger  
Attorney General  
One Ashburton Place  
Boston, Massachusetts 02108

Dear Attorney General Harshbarger:

The House Post Audit and Oversight Bureau (the "Bureau") is currently conducting several examinations of the Massachusetts Highway Department ("MHD"). In the course of one of its examinations, the Bureau made a request for the financial statements of one of the contractors with the MHD.

MHD informed the Bureau by letter (a copy of which is attached) that the materials submitted were not subject to disclosure due to the prequalification statute.

It is the Bureau's understanding that once the contract has been awarded, the materials submitted in response to the prequalification requirements are no longer protected from disclosure. Not only is the prequalification statute not controlling once the contract is awarded, but under G.L. c.4, s. 7, clause 26 (h), it appears that financial information which was submitted as required by law or as a condition of receiving a governmental contract is not exempt from disclosure as a public record.

We would therefore request that you provide us with a written opinion that addresses the issue of whether financial information provided by a contractor as part of the prequalification process becomes a public record upon the completion of the contract award process, and if this information does not become a public record, if it would nonetheless be obtainable under the provisions of the Committee's enabling statute and subpoena power. We have already subpoenaed the information and have not to date received it. We would appreciate a prompt response to this matter.

Sincerely yours,

  
Thomas W. Hammond, Jr.





*The Commonwealth of Massachusetts*  
*Executive Office of Transportation and Construction*  
*Ten Park Plaza, Boston, MA 02116-3969*  
*Office of the Secretary*

William F. Weld  
Governor

Argeo Paul Cellucci  
Lieutenant Governor

James J. Kerasiotes  
Secretary and MBTA Chairman

June 4, 1993

Mr. Thomas W. Hammond, Jr.  
Director  
Committee on Post Audit & Oversight  
House of Representatives  
State House  
Boston, MA 02133

Dear Mr. Hammond:

Please find attached a response to your most recent document request. As promised, herein enclosed are responses to your items number 2, number 9, and number 11.

ITEM #2 Minutes, memos, summaries, progress reports and any other documents that relate in any way to the weekly meetings between E.O.T.C. and Middlesex Corporation, referenced in response to item two of the Committee's March 5, 1993 request for information, for the weeks ending: January 23, March 27, April 17 and May 8, 1993.

**EOTC RESPONSE:**

All the information submitted and reviewed at the meetings referenced by the committee is provided.

ITEM #9: Please provide written confirmation as to whether Middlesex Corporation will provide copies of their financial statements for the most recent completed fiscal year. M.G.L. c. 29, s. 85 [sic] cited by your office as authority for not providing these documents is inappropriate. The statute speaks to prequalification statements of prospective bidders not companies have been awarded to contract [sic]. Please provide written confirmation of whether you intend to provide this information.



EOTC RESPONSE:

The only financial information in the possession of MassHighway are the bidders prequalification statements. As referenced previously, MassHighway cannot release this information without the written consent of the company. EOTC has written to Middlesex Corporation seeking their permission to release the prequalification information. There has been no response to date. Compliance with your request at this time, would require EOTC to violate Massachusetts law. EOTC has taken every available step to comply with this item. Enclosed please find another legal opinion relating to your latest request on this issue.

ITEM 11: Copies of all proposals submitted by private vendors for privatization of Essex County for the current contract.

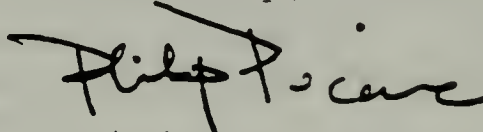
EOTC RESPONSE:

Please find enclosed a copy of the computer printout containing all of the bids, with item by item prices, for the Essex County Highway Maintenance contract.

As for the several other items in your latest request, EOTC is making every effort to provide this information to you as soon as possible.

If you have any questions, please feel free to contact me further.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip Puccia". The signature is fluid and cursive, with a large initial "P" and a long horizontal stroke extending to the right.

Philip Puccia  
Assistant to the Secretary





William F. Weld  
Governor

Argeo Paul Cellucci  
Lieutenant Governor

James J. Kerasiotes  
Secretary and MBTA Chairman

Mr. James Cunningham  
131 Scotland Road  
Newburyport, MA 01950

Dear Mr. Cunningham:

Recently the John F. Kennedy School of Government issued the first truly independent study on the privatization of highway maintenance in Essex County. This study found that the program has been dramatically successful. Further, local newspaper editorials have recognized the improvement in the County's state roads and this office continues to receive letters from people who live or travel in Essex County commenting on the improvement in the highways under privatization.

There are many factors that have contributed to the success of privatization in Essex County. One of the most important reasons for the achievements of this program has been the dedicated service of state employees such as yourself. Those who work with you and your supervisors have recognized the outstanding commitment and effort you have made to serve the public. I want to take this opportunity to offer my congratulations on the terrific job that you are doing in Essex County.

Privatization is a controversial subject and I know that the state workers in Essex County have been under tremendous scrutiny since privatization was implemented. Your ability to measure up under this pressure and to remain dedicated to fulfilling your role as a public servant has not gone unnoticed. Your efforts have earned you the respect of your co-workers and of many others within the Department.

Congratulations again on a job well done, and I look forward to continuing to work with you to make Massachusetts' highways the best maintained roads in the nation.

Sincerely,

James J. Kerasiotes  
Secretary

DATE:

ROUTING NOTE

TO: FOR VOIR



U.S. Department of Labor

Assistant Secretary for Policy  
Washington, D.C. 20210

November 21, 1993

Mr. Thomas W. Hammond, Jr.  
Director  
House Post Audit and Oversight Bureau  
Room 49, State House  
Boston, MA 02133

Dear Mr. Hammond,

This is in response to your letter of November 3, concerning the status of the report on privatization issued last spring. Your letter took some time to reach me, as I am on currently on leave from Harvard.

Let me be as precise as I can about the status of the report: It is the exclusive product of a group of graduate students, prepared to fulfill the major second-year requirement for an applied "Policy Analysis Exercise." Every Master of Public Policy student must undertake such an exercise in order to graduate. Students must identify a "client" to set the task for their exercises, and in this case the client was the Pioneer Institute, which set the terms of the undertaking, provided some data, and I believe also printed and distributed the report. (I am unclear as to the details of the report's publication, since my leave began immediately after the work was completed.) My role was to ensure that the analysis was conducted in a professional manner, to give guidance and suggestions, and to assess the quality of the product. The conclusions are the students' alone.

I believe the report was, on balance, quite well done, by which I mean that the questions were well-posed, the research was diligent, and the conclusions were plausibly related to the evidence. Some of the specific claims in the report I agree with and some I do not, but that is not the issue, since the assignment was not to reach conclusions I agree with, but to demonstrate to me that the work met a high professional standard. In no way is the paper an "official" report by the Kennedy School.

I hope this clarifies the situation.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. D. Donahue".

John D. Donahue



# Return on Investment



HOUSE NO. 1

Fiscal Year 1995 Budget Submission of  
Governor William F. Weld and Lieutenant Governor Argeo Paul Cellucci  
Commonwealth of Massachusetts

January 21, 1994

VOLUME 2



## MASSACHUSETTS HIGHWAY DEPARTMENT

### OVERVIEW

The Massachusetts Highway Department (MHD) is responsible for maintaining the Commonwealth's highway and bridge system, which consists of 12,600 lane miles and 2,900 bridges; for overseeing hundreds of highway, road and bridge construction projects; and for snow and ice removal. The Department's functions include sealing cracks and filling potholes to ensure a safe and smooth pavement surface; emergency repairs to bridges and guardrails; signal and sign repair as well as line painting to maintain safe and efficient traffic flow; removal of brush, grass and shrubbery (primarily at intersections and exit/entrance ramps) to provide motorists with clear, unobstructed fields of vision; and the removal of litter and rubbish along highways and in rest stop areas.

### ACHIEVEMENTS/GOALS

#### Entrepreneurial Government

In an effort to improve quality of services and reduce cost, MHD implemented the following privatization and consolidation initiatives.

#### *Major Accomplishments Fiscal Years 1991-1994*

- Consolidation of Highway Districts: MHD streamlined its operations by restructuring its maintenance districts and reducing the number of maintenance districts from eight to five.
- Essex County Privatization: In Fiscal Year 1993, the maintenance of the 540 miles of state highways in Essex County was privatized, yielding a first year savings of \$11.0 million. In subsequent years, we expect an annual savings of \$6.4 million. According to a study done by the John F. Kennedy School of Government, the quality of services delivered has far surpassed that prior to privatization.
- Newly Privatized Highway Districts: Given the success of the privatization effort in Essex County, in Fiscal Year 1994 we began another privatization program in two other highway districts. Private companies as well as MHD employee unions participated in the bidding. The MHD employee unions won three of those contracts.
- Central Artery/Ted Williams Tunnel: This major public works project, the largest in the nation, proceeded without any major delays. In Fiscal Year 1994, the placement and connection of all twelve tubes for the the Ted Williams Tunnel was completed. Scheme Z was replaced with a new Charles River Crossing design. This design is both more environmentally sound and aesthetically pleasing, and allows for the continued advancement of the North/South Rail Link Project.

#### *Major Goals for Fiscal Year 1995 and Beyond*





*The Commonwealth of Massachusetts*  
*Executive Office of Transportation and Construction*  
*Ten Park Plaza, Boston, MA 02116-3969*  
*Office of the Secretary*

William F. Weld  
 Governor

Argeo Paul Cellucci  
 Lieutenant Governor

James J. Kerasiotes  
 Secretary and MBTA Chairman

February 14, 1994

Mr. Thomas W. Hammond, Jr.  
 Director  
 House Post Audit and Oversight Bureau  
 Room 146, State House  
 Boston, MA 02133-1053

Dear Mr. Hammond:

This letter is in response to the latest request of the House Post Audit and Oversight Bureau (Bureau) for information regarding the privatization of highway maintenance in Essex County. This last request was contained in your letter dated January 26, 1994.

The Bureau requests copies of cost work sheets which were submitted to the Bureau by the Executive Office of Administration and Finance (A&F). According to A&F, the Bureau is well aware that these cost work sheets were only recently instituted by A&F. The Bureau must also be aware that the Essex County contract was initiated prior to the use of these work sheets by the Executive Office of Transportation and Construction (EOTC).

Your letter also states that the Bureau is requesting "the workpapers and backup worksheets that resulted in the actual dollar savings." Your letter is not clear if the "workpapers and worksheets" requested are those for the A&F cost work sheet, or if they are additional documents. As explained above, the A&F cost work sheet, as the Bureau knows, is irrelevant to the privatization of highway maintenance in Essex County.

You also state in your letter that the Bureau has only received aggregate figures from EOTC and therefore is not able to verify the savings claimed by EOTC. This is simply not true.

EOTC has supplied to the Bureau far more than aggregate figures. For example, EOTC has supplied the Bureau an itemized list of each piece of equipment transferred or scheduled for transfer from Essex County. EOTC has also supplied to the Bureau a breakdown of wages for each individual employee in Essex County,



as well as detailed records of expenditures. In total, EOTC has supplied to the Bureau over 7,000 documents solely on the issue of privatization. Considering the nature of the so-called "audits" conducted by the Bureau over the last three years and the partisan tenor of each report issued during that same period, EOTC is convinced that no matter how many documents it may supply, the Bureau will never verify any savings attributable to privatization.

Finally, your letter implies that EOTC has somehow misrepresented the report issued by the graduate students of the John F. Kennedy School of Government. As is typical, this assertion by the bureau is inaccurate and nonsensical.

EOTC has always referred to the report in precisely the terms described by Professor Donahue. At the hearing of June 22, 1993, Representative Mary Rogeness submitted the report as part of the official record of testimony. The summary of that report, prepared by EOTC, states in the second paragraph the following:

Graduate students of Professor John Donahue at the John F. Kennedy School of Government studied the privatization of highway maintenance in Essex County as part of an intensive study of the Weld Administration's privatization efforts. This report, conducted at the request of the Pioneer Institute, was compiled by the students of Professor Donahue.

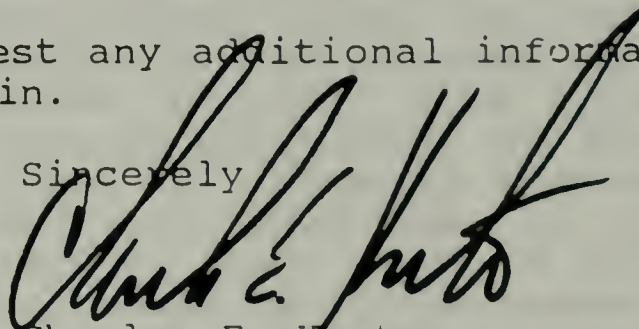
It should be further noted that the section of the report relating to Essex County was published by the students themselves. That a report published by graduate students at the John F. Kennedy School of Government should become known in short-hand reference as the "Kennedy School Report" should not be a surprise to even the Bureau of Post Audit and Oversight. EOTC has never referred to the report as an "official" publication of the Kennedy School.

Professor Donahue also points out that "the conclusions are the students' alone." This further substantiates EOTC's claim that this report was the only truly independent study so far conducted of privatization.

Further, Professor Donahue states that the report was "quite well done," the "research diligent, and the conclusions were plausibly related to the evidence." I can understand your irritation with this report, since it stands in such stark contrast with the efforts so far of the Bureau.

If the Bureau wishes to request any additional information, please feel free to contact me again.

Sincerely



Charles E. Kastro  
Chief Policy Analyst

cc: PJM





William F. Weld  
Governor

Argeo Paul Cellucci  
Lieutenant Governor

James J. Kerasiotes  
Secretary and MBTA Chairman

*The Commonwealth of Massachusetts*  
*Executive Office of Transportation and Construction*  
*Ten Park Plaza, Boston, MA 02116-3969*  
*Office of the Secretary*

January 6, 1994

Thomas W. Hammond, Jr.  
Director  
House Post Audit and Oversight Bureau  
State House, Room 49  
Boston, MA 02133

Dear Mr. Hammond:

Thank you for your December 28, 1993 letter which I received on January 4, 1994. It is clear from the tone and content of your letter that you are concerned with my assertion that the motivation behind many of the demands from your office for information and material are viewed as partisan attacks for personal and political gain. I am sorry that you are offended by this view. I believe, however, that the record of various actions taken by the House Post Audit and Oversight Bureau over the past several months bears out my contention.

I am well aware of the Bureau's mission and scope of authority which you outlined in your letter. This office takes no exception to the powers granted the Bureau by statute and has made every effort in the past to be cooperative. I dare say that the Executive Office of Transportation and Construction (EOTC) has had more experience in responding to requests from the Bureau than any other agency in government. Since October of 1992, this office in response to the Bureau's various requests and demands has provided you with copies of over 15,000 pages of documents and related information. Personnel from both the Massachusetts Highway Department (MHD) and EOTC have literally spent hundreds of hours retrieving, sorting, and copying responses to the aforementioned requests and demands. Moreover, Bureau staff members have been given access to this office, its records and EOTC staff on several occasions for purposes of assisting in your work.



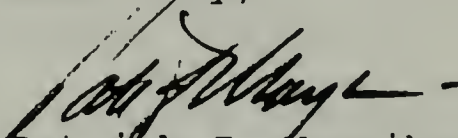
Thomas W. Hammond, Jr.  
January 6, 1994  
page two

I believe that the level of cooperation you have received here is unmatched. However, in return for our assistance in your efforts to evaluate "the effectiveness of programs and the faithfulness of administrative compliance with the intent of legislation and administrative compliance affecting a specified agency . . . " we have seen little tangible results. Many of the information requests made by the Bureau, such as MHD consolidation and call boxes, have not produced any reports or findings published by the Bureau. When you have issued reports, several, such as the preliminary report on the disparity study and the "special report" on our use of a private investigator, were primarily designed, in my opinion, to gain publicity as witnessed by the fact they were released to the media prior to receipt in this office. Other reports have been given little or no credibility. For example, the only truly independent review of MHD privatization, conducted by Harvard's Kennedy School of Government, refuted the most basic assertions in the Bureau's report.

The record of our relationship reflects a high level of cooperation from this office in order to, as you put it, "assist both the legislature and the taxpayers of the Commonwealth in insuring that quality service and cost effective transportation systems are provided." However, when this cooperation results in inaction by the Bureau or the type of unfair and inaccurate reporting we have experienced, there is a natural inclination to question true motives. We will continue to cooperate with you in a manner that is consistent with the intent of the statute, which is to serve the best interests of the taxpaying public.

Thank you for sharing your thoughts and concerns. I look forward to a productive relationship in 1994.

Sincerely,



Patrick J. Moynihan  
Undersecretary  
and General Counsel





William F. Weld  
Governor

Argeo Paul Cellucci  
Lieutenant Governor

James J. Kerasiotes  
Secretary and MBTA Chairman

*The Commonwealth of Massachusetts*  
*Executive Office of Transportation and Construction*  
*Ten Park Plaza, Boston, MA 02116-3969*  
*Office of the Secretary*

May 27, 1993

Thomas W. Hammond, Jr., Director  
Committee on House Post Audit & Oversight  
State House  
Room 146  
Boston, MA 02133

Dear Mr. Hammond:

In response to your May 24 letter, please be assured that every effort will be made to comply with your request. We are compelled, however, to raise certain issues relating to your continued requests for information pertaining to the Massachusetts Highway Department's privatization program.

MassHighway's privatization initiative has been reviewed, or is currently under review, by six legislative committees and the State Auditor's Office. Each committee has requested that the information they are seeking be packaged to their distinct liking. In addition, public employee unions have also requested a great deal of information. In each instance, the Executive Office of Transportation and Construction (EOTC) and MassHighway have responded in the most timely manner feasible.

We find the issuance of a deadline providing us with only four working days to respond very unreasonable. In the future, therefore, we would appreciate if you would demonstrate some degree of reasonableness when setting deadlines relating to document requests.

Nevertheless, we will be prepared to provide you with the following information by the middle of next week:

- o Item 2, requesting weekly progress reports for certain periods;
- o Item 11, relating to bid information.



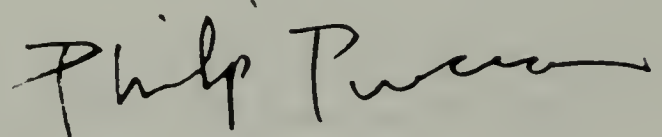
Mr. Hammond  
May 27, 1993  
Page 2

All other information, except for further financial information from the Middlesex Corporation, will be provided to your committee at the earliest possible date.

Also note, MassHighway consolidated its district offices on October 1, 1992. As a result, Essex County is now situated in District 4.

Please do not hesitate to call me with any questions you may have.

Sincerely,

A handwritten signature in dark ink, appearing to read "Philip Puccia". The signature is fluid and cursive, with a long horizontal stroke at the end.

Philip Puccia  
Assistant to the Secretary



# THE MIDDLESEX COMPANIES

THE MIDDLESEX CORPORATION

HIWAY PAVING, INC.

MASSACHUSETTS BITUMINOUS PRODUCTS



June 29, 1993

Mr. John Hayden  
Resident Engineer  
M.H.D. - Essex County

RE: Various Areas To Be Patched

I have reviewed your request to patch certain areas with Bit. Concrete in the field with I.W. Harding.

We had difficulties in determining the exact scope of work involved. I informed them that I would mark out certain areas with paint and have our forces sawcut. Then he would be able to excavate these areas and place Bit. Concrete.

I anticipate marking out these areas 6/30/93, and sawcutting on 7/2/93.

I.W. Harding would then schedule his work for Tuesday, July 6, 1993.

If you have any questions, please let me know.

Sincerely,

Bernie LaVita  
Project Coordinator  
The Middlesex Corporation





Commonwealth of Massachusetts  
Massachusetts Highway Department  
Board of Commissioners

Item # 5

## AWARD OF CONSULTANT CONTRACT

Division: Commissioner Contract #: 93067

Approved for Docket/Chief Engineer: Acting Frank Braschi 6/14/92

CONSULTANT: Edward F. Jesser, 1010 Centre St., Boston, MA 02130  
(Name & Address)

Description of Services: Development of a strategic plan to communicate Department reorganization, privatization, bridge and highway projects.

Maximum Obligation \$ 45,000 Duration: One Year

Federal Aid # NFA Account# 6010-00000

Method of Procurement: Selected on basis of expertise in the area of public affairs and strategic development

Spending Plan Approval Date FY 93 Item: \_\_\_\_\_

Philip P. Vento 6/14/92 Patricia J. Morgan 6/12/92  
Submitted by Date Approved by Date

### Description of why the board should award this contract:

Attached is a proposed contract with Edward F. Jesser for furnishing the department with support services in the area of public affairs and community relations to help Department personnel in the implementation of Department reorganization, privatization, and district consolidation. Further, to develop a public awareness campaign for the Departments road and bridge program.

The consultant was selected to provide these services on the basis of this specific expertise in public relations.

The consultant will also develop a program to effectively communicate the goals and accomplishments of the agency to environmentalists and private business.

It is therefore recommended that the Board of Commissioners approve the award of a contract to Edward F. Jesser, an individual, for a maximum amount not to exceed \$45,000 in accordance with the terms stipulated in the contract. There is no federal participation in the contract.

For Department Secretary VOTED TO APPROVE  
Marilyn P. Corrado, Secretary

ITEM # 3DATE: JUN 16 1992



## MASSACHUSETTS HIGHWAY DEPARTMENT

TO: Stephen F. Berlucchi, Maintenance Engineer

FROM: Chuck Kastro, Assistant to the Commissioner

CC: Patrick Moynihan, Deputy Commissioner/Chief Counsel  
Anthony Salamanca, District Highway Director  
Dave Wilson, Deputy Chief for Privatization  
Laurinda Bedingfield, Deputy Chief Engineer

SUBJECT: Essex County Equipment Inventory

DATE: November 2, 1992

\*\*\*\*\*

I have a couple of questions regarding your memo of October 28, 1992 on the value of transferred equipment in District 5. According to your memo, the total value of all equipment in the district is \$1.5 million. The equipment inventory list we were given by Wellesley, which is dated June 1, 1992, listed 491 pieces of equipment. It does not appear we have a full accounting of those 491 pieces. The question then is why? Either there are problems with the original inventory or equipment is missing. Either way we need to make a full accounting for all 491 items so that we can accurately inform the Executive Office of Administration and Finance as to the disposition of this equipment.

Also, every piece of equipment that is remaining in the district needs to be justified. All pieces of equipment should have an explanation as to what it will be used for and why it needs to remain in the district.

If you have any questions regarding these issues, please do not hesitate to contact me.

Thank you.



INTEROFFICE MEMORANDUM

TO: District Highway Director  
Director of Equipment and Material Resources Fred W. Iar

FROM: Stephen F. Berlucchi  
Maintenance Engineer *SFB*

DATE: January 21, 1993

SUBJECT: Former District 5 Surplus Equipment Disposition

The surplus equipment from former District 5 (Essex County) has been inventoried and rated as to condition. All of this equipment is in need of repair, and it has not been fully inspected to determine repairs needed.

All District equipment requests were reviewed, and attached you will find a list of equipment that is assigned to your District from this surplus.

Please contact Fred Iarrobino for delivery or pickup of assigned equipment and also note to him if any equipment is not needed.

Also attached is a list of junk equipment which is available for parts, etc. You can also contact Fred Iarrobino to arrange transfer.

SFB/M  
c-LTB  
MWS  
GHP  
CFM  
CK  
Atts.



MASSACHUSETTS HIGHWAY DEPARTMENT

INTEROFFICE MEMORANDUM

TO: Laurinda T. Bedingfield,  
Commissioner

THRU: Charles F. Mistretta, Jr.,  
Dep. Chief Engr., District Operations

FROM: ~~Stephen~~ F. Berlucchi,  
Maintenance Engineer *SFB*

DATE: February 10, 1993

SUBJECT: Requested Information  
Essex Co. Surplus Equipment

Below you will find a breakdown of equipment that was removed from former District 5 (Essex County) and redistributed statewide to Districts and Wellesley.

Total number of pieces of equipment removed	107
Number of pieces rated as junk (Scotland Rd.)	<u>38</u>
Number of pieces redistributed to other Dists.	69

Breakdown:	15 pieces rated Good/107=	14%
	29 Fair/107	= 27%
	25 Poor/107	= 23%
	<u>38 Junk/107</u>	<u>= 36%</u>
	107	100%

The Districts are in the process of receiving equipment assigned and a list of distribution and junk is attach

SFB/M  
C-MWS  
GHP  
CFM  
FWI✓

Att.





Department of Public Works

DISTRICT #5 OFFICE  
485 MAPLE STREET, DANVERS 01923

TO: S. Beluchi, Maintenance Engineer

THROUGH: D. Wilson, Deputy Chief Engineer of Privatization *D.W.*  
G. Ward, Project Manager of Operations - Essex County *G.W.*

FROM: P. Jodoin, Drawbridge Supervisor *P.J.*

DATE: October 29, 1992

This correspondence is to confirm our conversation on October 28, 1992, in regard to the Bridge Operators Contract with Middlesex Corporation.

The strictly interpreted contract calls for Middlesex to incur all the costs of training. The wording of the contract indicates that the originators of the contract may have expected a full staff of MHD Bridge Operators to be on duty during the training period. During negotiations with the unions it was agreed that the MHD Bridge Operators would not be forced to train individuals replacing them. Consequently, all MHD operators are transferred effective November 1, 1992.

The Contract calls for Middlesex to be trained during the first shifts only. The MHD would be forced to fully staff the bridge with two MHD personnel for the required nineteen hours of coverage. As per our conversation it would be more cost affective to allow Middlesex to work with the one MHD trainer during training thus supplementing our staffing. A strict interpretation of the contract would cost the MHD approximately \$ 3,332.00 per week, mostly overtime, for the first several weeks. The Middlesex cost to the MHD for the same period would be \$ 2,800 weekly if the MHD agreed to pay Middlesex's suggested \$ 400 daily cost effect rate for the training period.

The increased negative impact of the strictly followed contract would be a prolonged training period, compounding the MHD staffing expense.

It is my understanding per your confirmation, that Middlesex will receive partial payment as discussed.

Pj/emn

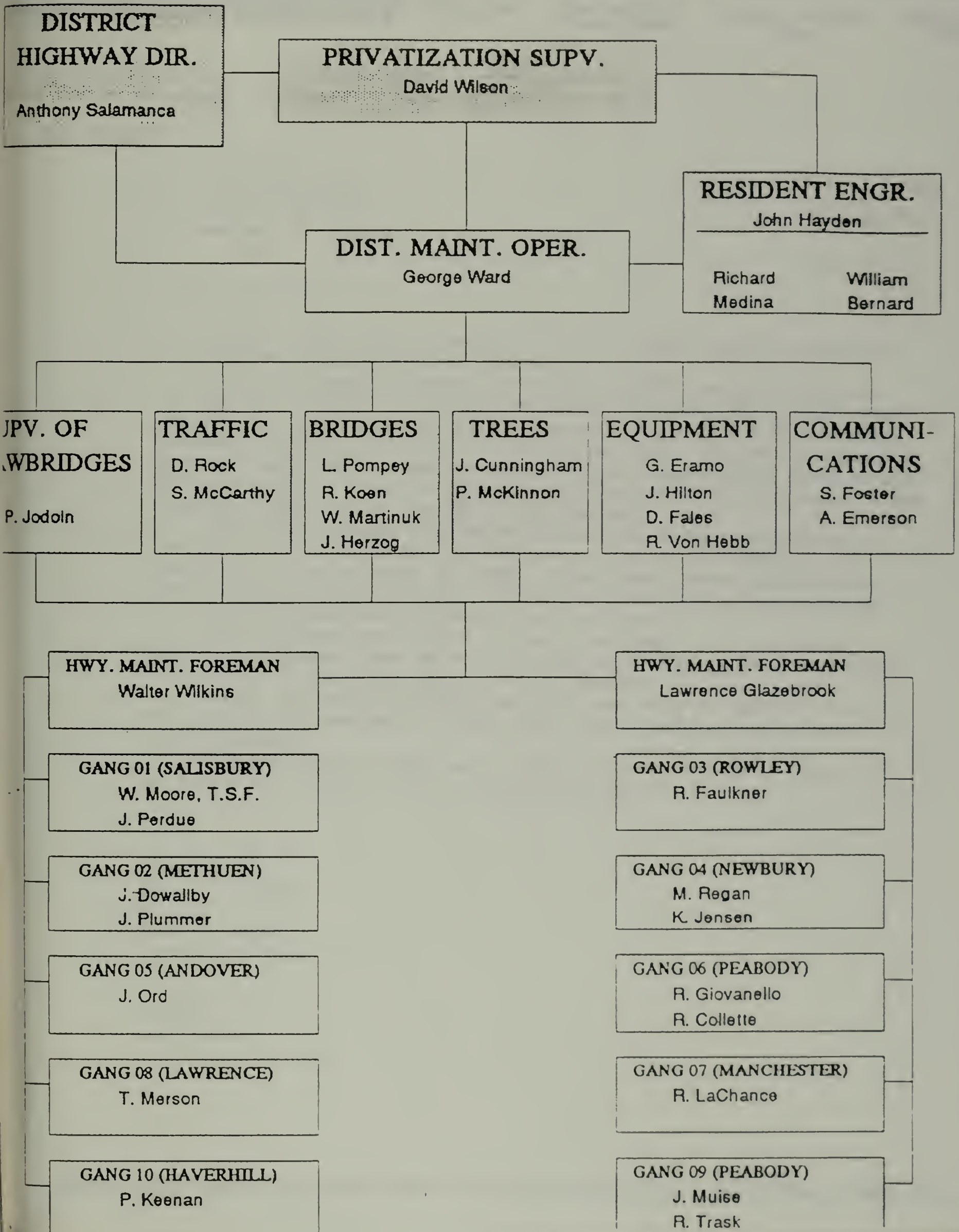
cc: J. Hayden, R.E.  
B. LaVita, Middlesex Corporation

The Massachusetts Department of Public Works  
is now  
The Massachusetts Highway Department



PRIVATIZATION  
TABLE OF ORGANIZATION

EXHIBIT # 7





**MASS**  
**HIGHWAY**William F. Weld  
GovernorArgeo Paul Cellucci  
Lieutenant GovernorJames J. Kerasiotes  
SecretaryLaurinda T. Bedin  
Commissioner

January 19, 1993

Bernie LaVita  
Middlesex Companies  
17 Progress Street  
Chelmsford, MA 01824

Dear Mr. LaVita:

Please direct your attention to the following matters concerning the Middlesex Bridge Operator Contract.

The Massachusetts Highway Department's (MHD) responsibility on each bridge includes the entire portion of the road that is over water. The MHD would appreciate Middlesex Company's cooperation in monitoring problems which may arise in this section of road. Pot holes, auto accidents and traffic light problems are just some matters which require MHD attention. It would be greatly appreciated if the Middlesex Bridge Operators could assist the MHD in this matter.

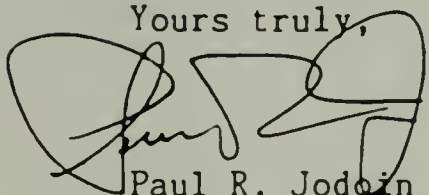
The bridge opening log indicates that the weekly maintenance at the Beverly - Salem Bridge has not been performed as directed in a letter to you on November 20, 1992. Also, Maintenance Verification Forms have not been submitted. Please instruct the bridge operators to follow the maintenance schedule as instructed.

Work performed out of the ordinary, for which you are seeking additional payment, must be verified with me or George Ward in advance of the work in order for you to receive payment.

All of the bridge operators still do not have picture ID's as required by the contract. Please direct your immediate attention to this situation.

Attached are the 1992 yearly reports for the "on call" bridges to assist you in your staffing plans this spring.

Yours truly,



Paul R. Jodoin  
Drawbridge Supervisor

PRJ/paq

cc: DJW, GHW, JH,



# MASS HIGHWAY

William F. Weld  
Governor

Argeo Paul Cellucci  
Lieutenant Governor

Richard L. Taylor  
Secretary

James J. Kerasiotes  
Commissioner

Maintenance - Highways

RE. Essex County - Maintenance of State Highways  
Contract No. 93162

January 21, 1993

David K. Skerrett, V.P.  
The Middlesex Corp.  
17 Progress Avenue  
Chelmsford, Ma. 01824

Attn. Bernie LaVita Jr.

Dear Sir,

Please be informed that your Subcontractors - Bacher Maintenance Corp. and Miazga Inc. are not in compliance with the minority workhour percentage as set forth in the contract. The following are not in compliance:

## Projected Manning Table      Weekly Manpower Report

Middlesex Corp.	Need	OK
Bacher Maint.	Need	Need
Delcorp	Need	OK
I.W.Harding	Need	Need
Liddell	Need	OK
Miazga	Need	OK
Tristate	OK	Need

Failure to comply to Contract and Massachusetts Highway Department requirements and specifications will result in withholding of payments.

Very Truly Yours,

*David J. Wilson*

David J. Wilson  
Deputy Chief of Privatization



# SCIABA

## CONSTRUCTION

September 3, 1992

CERTIFIED MAIL/RETURN RECEIPT  
REQUESTED P 971 721 788

Peter Waltonen, Esquire  
Deputy General Counsel  
Department of Labor and Industries  
100 Cambridge Street, 11th Floor  
Boston, MA 02202

RE: Massachusetts Highway Department Project No SP92-107  
Maintenance of State Highways - Essex County

Dear Mr. Waltonen:

On Tuesday, August 25, 1992, at 2:00 P.M., the Massachusetts Highway Department opened bids on the above referenced project. The apparent low bid was submitted by the Joint Venture of The Middlesex Corporation, Highway Paving, Inc., and Mass. Bituminous Products (Middlesex). For your information, the bid results were as follows:

Middlesex	\$3,687,158.00
Sciaba	5,387,275.00
R. Zoppo Co.	6,053,508.00
N.E.L. Corp.	6,277,483.00
Lo Russo Corp.	6,759,550.00
E.T. & L. Const.	8,104,565.00

The project is the first of its' type to be bid in the Commonwealth. It is a maintenance contract where the MHD will award a contract to a private firm to perform routine maintenance and emergency repairs on State highways and bridges; work normally performed by Department personnel. The Bid Documents consisted of one bound volume containing the Notice to Contractors, Amendments and Supplementary Specifications, Special Provisions and the Itemized Proposal. NO plans were included in the Contract Documents.



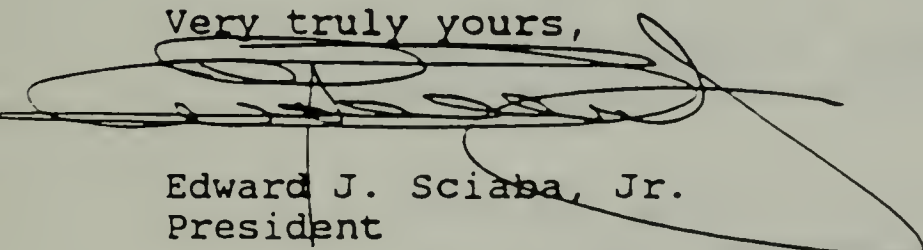
The bidders were instructed to submit unit prices on a wide variety of items ranging from highway sweeping and grass mowing to the operation and maintenance of draw bridges to the removal and replacement of the concrete, steel and/or timber elements of bridges. Estimated quantities of work were listed in the Proposal for bid comparison purposes.

With the information officially distributed to the bidders, it was impossible for a bidder to ascertain prior to submitting his proposal if the proposal quantities were accurate. The proposal submitted by Middlesex contained an unrealistically low unit price for Item 955. Treated Timber. The Middlesex proposal contained the unit price of \$1.00 for Item 955. (Please see enclosed bid tabulation) The inclusion of such an unrealistically low price indicates that either:

1. Middlesex' bid was unresponsive
2. Middlesex had information unavailable to other bidders, that enabled them to determine that the actual contract quantity would be significantly less than the 300 MFBM listed in the Proposal.

We are hereby requesting that your Department conduct an investigation and schedule a hearing in this matter as soon as possible. Enclosed please find our check for the hearing fee. By copy of this letter we are informing the MHD of this protest, and we request that your Department inform the MHD not to proceed with any award to Middlesex until you have had an opportunity to investigate this matter and render a decision.

Very truly yours,



Edward J. Sciaba, Jr.  
President

cc: Middlesex Corporation  
Geraldine Vatan, Acting Contract Engineer - MHD  
James J. Kerasiotes, Commissioner - MHD  
Marilyn P. Corrado, Secretary - MHD  
George M. Matthews -General Counsel, Sciaba  
Patrick J. Moynihan - General Counsel, MHD

EJS/hp

5821



**MASS****HIGHWAY**William F. Weld  
GovernorArgeo Paul Cellucci  
Lieutenant GovernorRichard L. Taylor  
SecretaryJames J. Kerasiotes  
Commissioner

To: C. Kostro

From: Stephen F. Berlucchi  
Maintenance Engineer

SFB

Date: October 28, 1992

Subject: District 5 Privitization - Equipment

The following is a summary of state owned equipment and small tools located in District 5. Some of this equipment will be left in Essex County and the balance will be transferred to other Districts, sent out for repairs, or will be auctioned off as excess junk.

The value of the equipment and tools were estimated by Wellesley using current book values.

- 1.) The total value of all the available equipment and small tools in old District 5 is \$1,478,995.00
- 2.) the total value of the equipment and small tools that will remain in the Essex County area to support privatization efforts and emergency response is \$499,600.00
- 3.) The total value of equipment and small tools that will be transferred from old District 5 is \$979,395.00
- 4.) The total value of Snow and Ice Control equipment that will be made available to the Essex County area from new District 4 is \$345,500.00



A.) Summary of Equipment staying in Essex County for year round use.

<del>27</del> Pickup Trucks (\$5,000.00 each)	\$135,000.00
5 Small Dumps (1 tons) (\$12,000.00 each)	\$60,000.00
1 Small Trailer	\$100.00
3 Rack Trucks (\$14,000.00 each)	\$42,000.00
1 Rack Truck (welders)	\$1,000.00
1 Hydro Crane	\$9,000.00
1 Loader with Backhoe	\$27,500.00
1 Tow Truck	\$22,000.00
1 Large Bucket Truck (Hwy. Lights and Trees)	\$75,000.00
1 Small Bucket Truck (Electrical)	\$20,000.00
1 Boat Trailer (Divers)	\$200.00
10 Arrow Boards (\$500.00 each)	\$5,000.00
1 Chipper	\$5,000.00
1 Pavement Breaker	\$1,500.00
1 Compressor	\$9,000.00
1 Forklift	\$3,000.00
2 Sweepers (for emergencies)	\$76,000.00
1 Welding Machine	\$1,200.00
Misc. Small Tools and Equipment	<u>\$7,100.00</u>
TOTAL	\$499,600.00

B.) Summary of Snow and Ice Control Equipment stationed in Essex County Area for winter operations. Will be returned to new District 4 in the Spring.

10 Medium Dump Trucks with plows and spreaders (\$22,000.00 each)	\$202,000.00
10 Loaders (Various Values)	<u>\$143,500.00</u>
TOTAL	\$345,500.00

SFB/db

CC: P. Moynihan

GHP

FWI

C. Kostro

A. Salamanca

D. Wilson

L. Bedingfield



## MASSACHUSETTS HIGHWAY DEPARTMENT

## INTEROFFICE MEMORANDUM

TO: Stephen F. Berlucchi, Maintenance Engineer

FROM: Donald Kavanagh, Hwy. Maint. Engineer

DATE: September 1, 1992

SUBJECT: Recommendation As to Award

PROJECT: District FIVE, ESSEX COUNTY  
Maintenance of State Highways

BID OPENING: August 25, 1992

LOW BIDDER: The Middlesex Corporation (JV)  
17 Progress Ave., Chelmsford, MA 01824

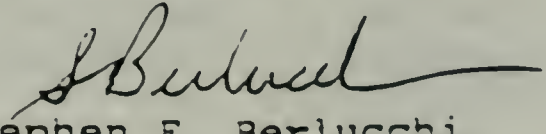
Comparison of prices	<u>Office Estimate</u>	<u>Low Bid</u>
	\$4,069,095.00	\$3,687,158.00

The Low Bid is 9% below the office estimate and is fair and reasonable for the work required.

It appears, from a review of the unit prices, that the unit prices for Item No.'s 105.05, 106.251, 106.362, 107.951, 109.5, 149.2, 201., 202., 472.1, 602.3, 751., 847.113, 864.03, 905., and 909.9 are excessively high, however the possibility of an overrun is remote.

The Low Bidder is being notified that we consider his unit prices for Item No.'s 105.02, 105.03, 105.04, 105.041, 105.051, 105.091, 106.45, 107.042, 109.1, 109.2, 120.1, 127.4, 156., 220.2, 222.3, 241.12, 460.5, 472.11, 581., 602., 602.1, 632.1, 833.5, 833.7, 856., 910., 950.6, 950.7, 955., 965., 994.001, and 994.004 to be unrealistically low.

In view of the above it is recommended that this contract be awarded to the low bidder, The Middlesex Corporation (JV).

  
Concur. Stephen F. Berlucchi  
Maintenance Engineer

MJS/mjs  
cc: GHP



**MASS****HIGHWAY**William F. Weld  
GovernorArgeo Paul Cellucci  
Lieutenant GovernorJames J. Kerasiotes  
SecretaryLaurinda T. Bedin  
Commissioner

## MEMORANDUM

TO: Anthony Salamanca  
District Highway Director

FROM: John Hayden *JBH*  
Resident Engineer - Maint. Of Essex County

DATE: May 26, 1993

SUBJECT: Highway Cleaning - Contract 93162

The following Highway Cleaning has been completed as of May 25, 1993:

Rte 1 NB & SB from Grossmans in Saugus to Rte 128 Lynnfield

2.5 miles x 2 = 5 miles

Rte 1A Salisbury - North End Blvd. = 2.0 miles

Rte 93 interchanges from Dascomb Rd to River Rd Andover

Partial = 3 miles

Rte 1 NB & SB from Rte 128 Lynnfield to Rte 62 Danvers  
Breakdown lane only approx 6.5 miles

The following crews are working as of May 26, 1993:

Rte 128 Gloucester	-	1 operator	1 sweeper
		1 laborer	1 pickup
Rte 1 NB Lynnfield Median	-	2 operators	2 sweepers
		3 laborers	1 sidewalk sweeper
			1 hired six wheel dump
			1 pickup



Rte 1A & Rte 1 Salisbury -	2 operators	2 sweepers
	3 laborers	2 sidewalk sweepers
		1 utility truck
		1 pickup

Attached please find the Contractors Highway Cleaning schedule.



# Assignment Planner

Essex County - Highway Sweeping

- Rte 1 - Saugus to 95 Split - Danvers
- Rte 1 - Danvers to Topsfield
- Rte 128 Lynnwood to Gloucester
- Salisbury Area
- Rte 110 Salisbury to Haverhill
- Rte 495 - Complete
- Rte 95 - Complete
- Rte 1A - Beverly to Salisbury
- Rte 113 - Complete
- Rte 213 - Complete
- Rte 114 + 125 - Complete
- Rte 135 - Complete
- Rte 93 - Complete
- Rte 28 - Complete
- Rte 110 Lawrence
- Rte 127 - Complete

MAY 3

MAY 12

MAY 21

MAY 30

JUNE 8

JUNE 17

JUNE 26

JULY 5

JULY 14

JULY 23

79 days

Blank



Essex County Daily Worksheets  
9 Week Test Period

Description	Total 9 Weeks
1. Pot Hole Patching	713
2. Litter	1,445*
3. Snow & Ice	170*
4. Gas Pumps	570*
5. Brush Clearing	90
6. Accident Response	77
7. Detours	31
8. Deck Repair	55
9. Contract Supervision	697*
10. Tree Work	179
11. Draw Bridge Training	61
12. Equipment Repairs (operating)	97
13. Sign Erection	158
14. Accident Recovery Inspect.	69
15. Illegal Sign Removal	17
16. Illegal Line Removal	4
17. Mowing	28
18. Motor Vehicle Maintenance	45*
19. Checking Road	10*
20. Gravel Spill	16
21. Painting	8
22. Rest Area Maintenance	51*
23. Fence Repair	6
24. Water Breaks	8
25. Water Break Maintenance (Basin)	144
26. Moving Furniture (Supplies)	191*
27. Moving Steel Plates & Repairs	235
28. Yard Cleaning Work	32*
29. Loading Trailer	10*
30. Dead Animal	33*
31. Move Office	16*
32. Transport Truck	13*
33. Hauling Sand	16*
34. Barrel Removal	8*
35. Flooding	92*
36. Set-up Picnic Bar & Tables	4*
37. Oil Spill	6*
38. Clean Area After Mower	2
39.	---
40. Paperwork	<u>224*</u>
<u>TOTAL</u>	<u>5,631</u>

	Hours	%
Privatized Functions	1,998	35.5
* Non-Privatized Functions	<u>3,633</u>	<u>64.5</u>
<u>TOTAL</u>	<u>5,631</u>	<u>100.0</u>





